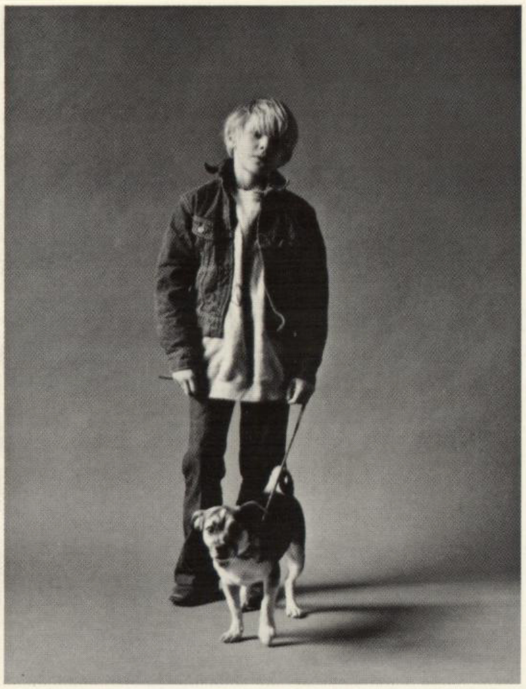
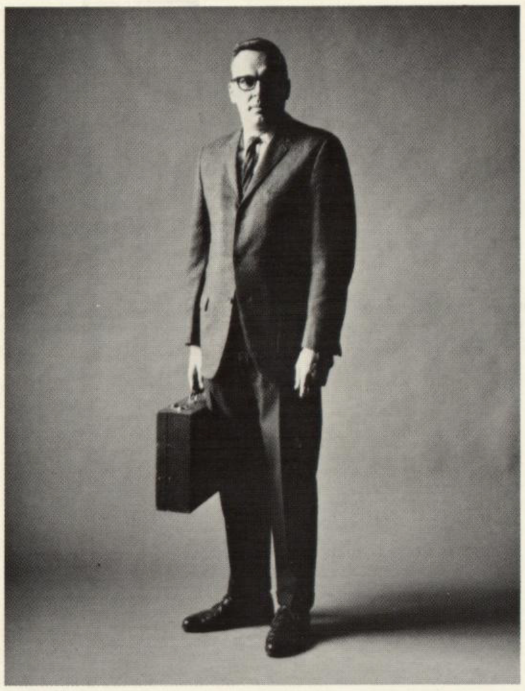
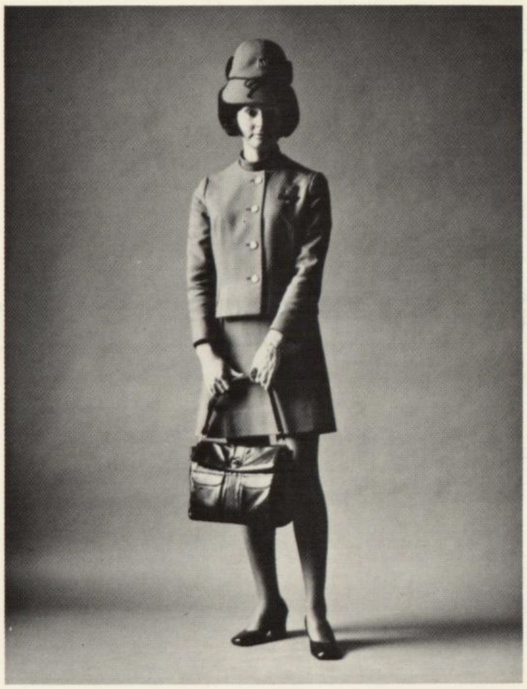
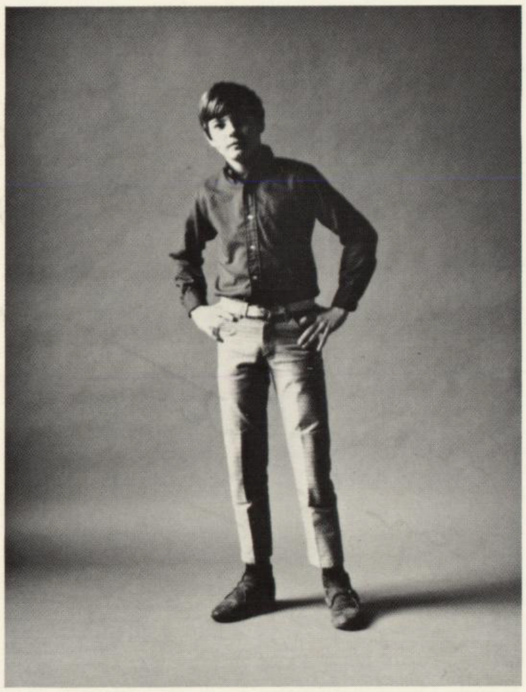
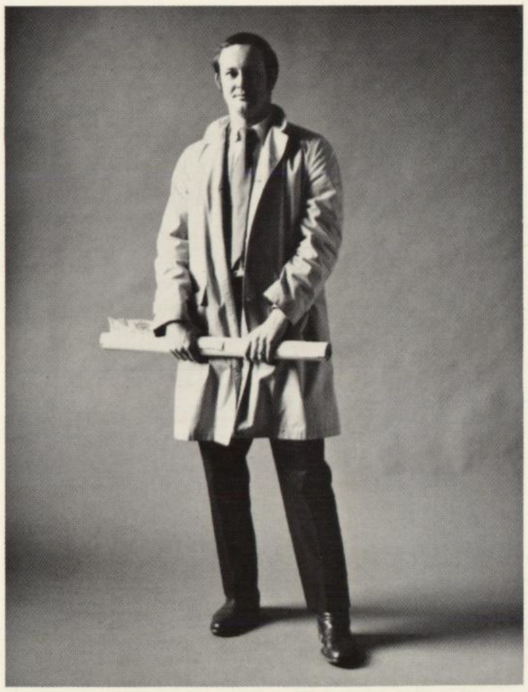
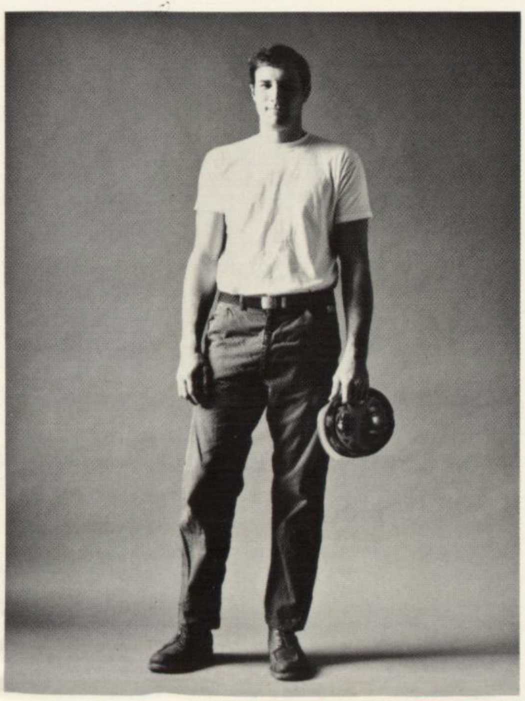
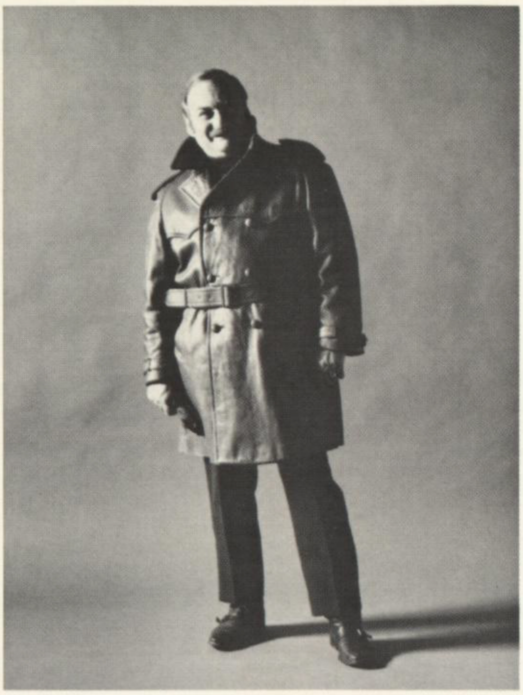
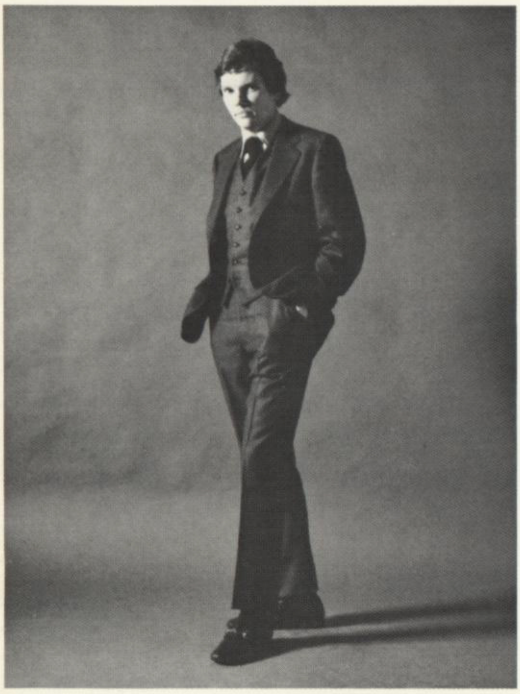
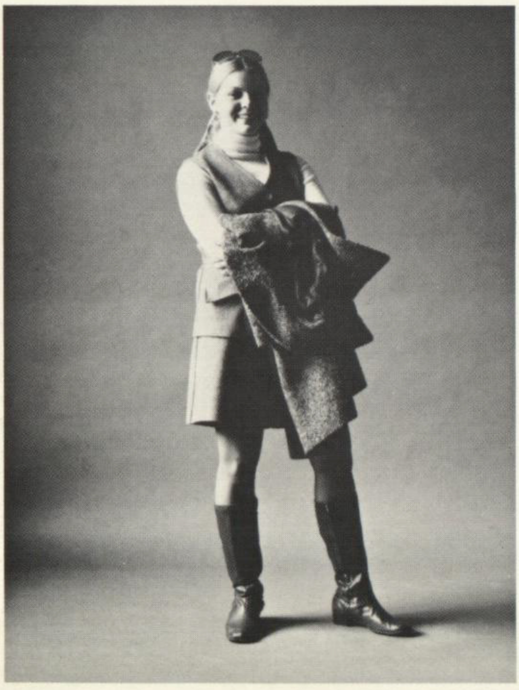
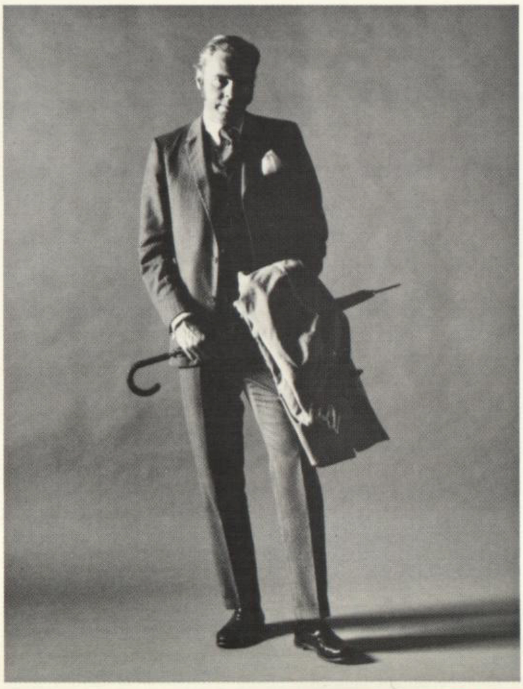
Dayton Hudson Corporation

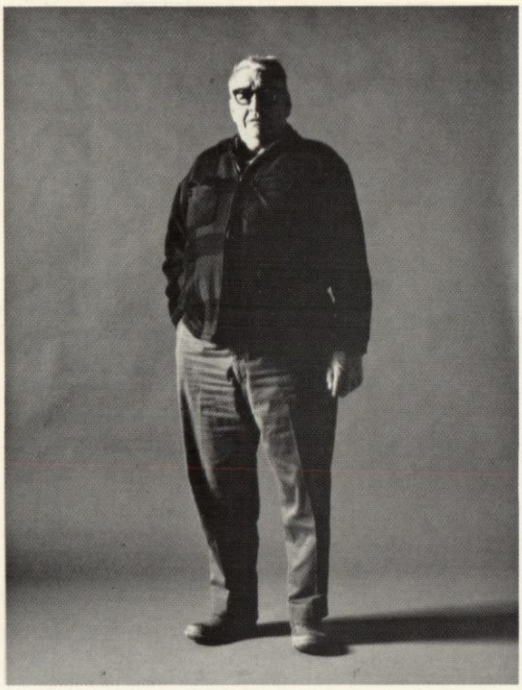
1969 Annual Report

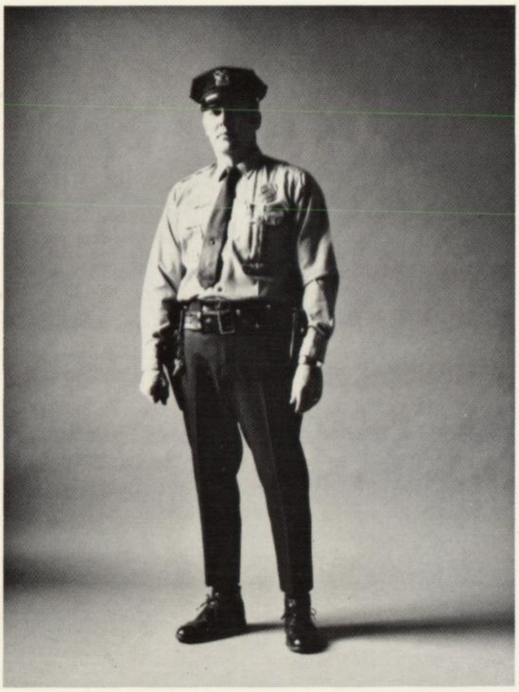
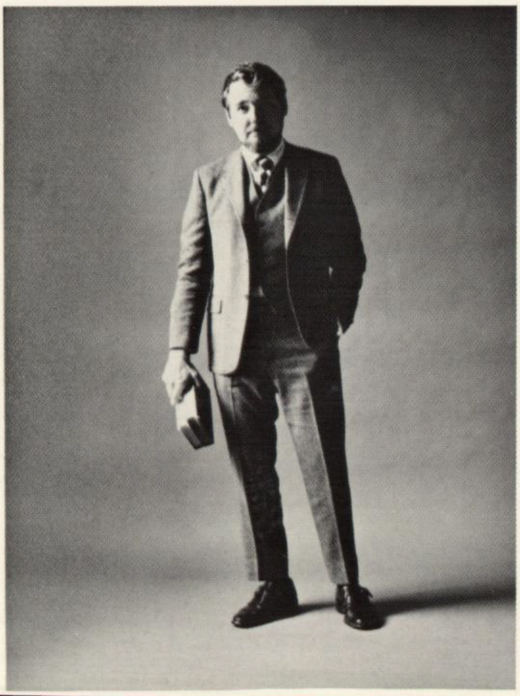







"We are committed to serving people.
We believe that the ultimate test of business is the ability to serve people and that superior financial performance furnishes both the means and the measure of that success . . ."

—Dayton Hudson Corporate Philosophy

Financial Highlights

	1969	1968	Percent Increase (Decrease)
Total Revenues	**$888,357,000**	$811,981,000	9.4%
Income Before Income Taxes	**48,073,000**	50,980,000	(5.7)
Income Taxes	**24,400,000**	26,422,000	(7.7)
Net Income	**23,673,000**	24,558,000	(3.6)
Earnings Per Common Share	**1.49**	1.54	(3.2)
Shareholders' Investment	**269,703,000**	255,808,000	5.4
Working Capital	**148,814,000**	135,022,000	10.2
Capital Expenditures	**92,765,000**	52,919,000	75.3
Total Square Feet of Retail Space	**10,706,000**	9,502,000	12.7
Average Common Shares Outstanding	**15,814,000**	15,850,000	(.2)
Number of Shareholders	**9,473**	6,853	38.2

To our Shareholders . . .

We began 1969 with 62 stores in 15 states, and with projections of an increase in earnings. We completed the year with 94 stores in 18 states—and a decrease in earnings.

The year was successful in terms of the expansion we need to position ourselves nationally for long-term earnings growth, but it was disappointing in terms of short-term earnings performance.

The mid-year merger with The J. L. Hudson Company of Detroit created Dayton Hudson Corporation, more than doubling our department store sales, adding $146 million of equity capital and establishing the Corporation as one of the 15 largest non-food retailers in the nation.

Total revenues grew to a record $888,357,000, up 9.4 percent from $811,981,000 in 1968. Net income was $23,673,000, as compared with $24,558,000 the previous year. Earnings per share were $1.49 in 1969 and $1.54 in 1968. The 1968 figures have been restated to include Hudson's results; pre-merger earnings of Dayton Corporation for 1968 were $1.36 per share.

Among factors contributing to these results were:

—A decline in the general level of consumer confidence, which by year end had brought this measurement to its lowest point in seven years. This caused sales to fall short of our plans and made it particularly difficult for our new stores to open at the accustomed pace.

—Hudson's had a strong year until the final quarter, when sales slowed down as the result of cutbacks in the auto industry, which eliminated overtime and caused shorter hours for Detroit auto workers.

—Costs of our expansion program, mainly preopening and construction expenses, which totaled $5.5 million, up 80 percent over 1968.

Capital expenditures during the year totaled $92.8 million. Stores opened during the year or under construction for opening in 1970 represent an increase of 31 percent in our retail space, which will total 12.5 million square feet by the end of 1970. Additionally, we established ourselves in major new markets — Detroit and the Michigan-northwestern Ohio retail area, Dallas-Fort Worth and Houston, Texas.

On July 15, the Corporation made its first public debt offering, selling $25 million of sinking fund debentures due in 1994 and priced to yield 7.80 percent. Our common stock was listed on the New York Stock Exchange on September 8, the same day that we unveiled a new corporate symbol.

Our 1970 expansion program will continue as in the past year. The key to the year will be consumer confidence. As confidence returns to more normal levels, our new facilities will enable the Corporation to realize its earnings potential.

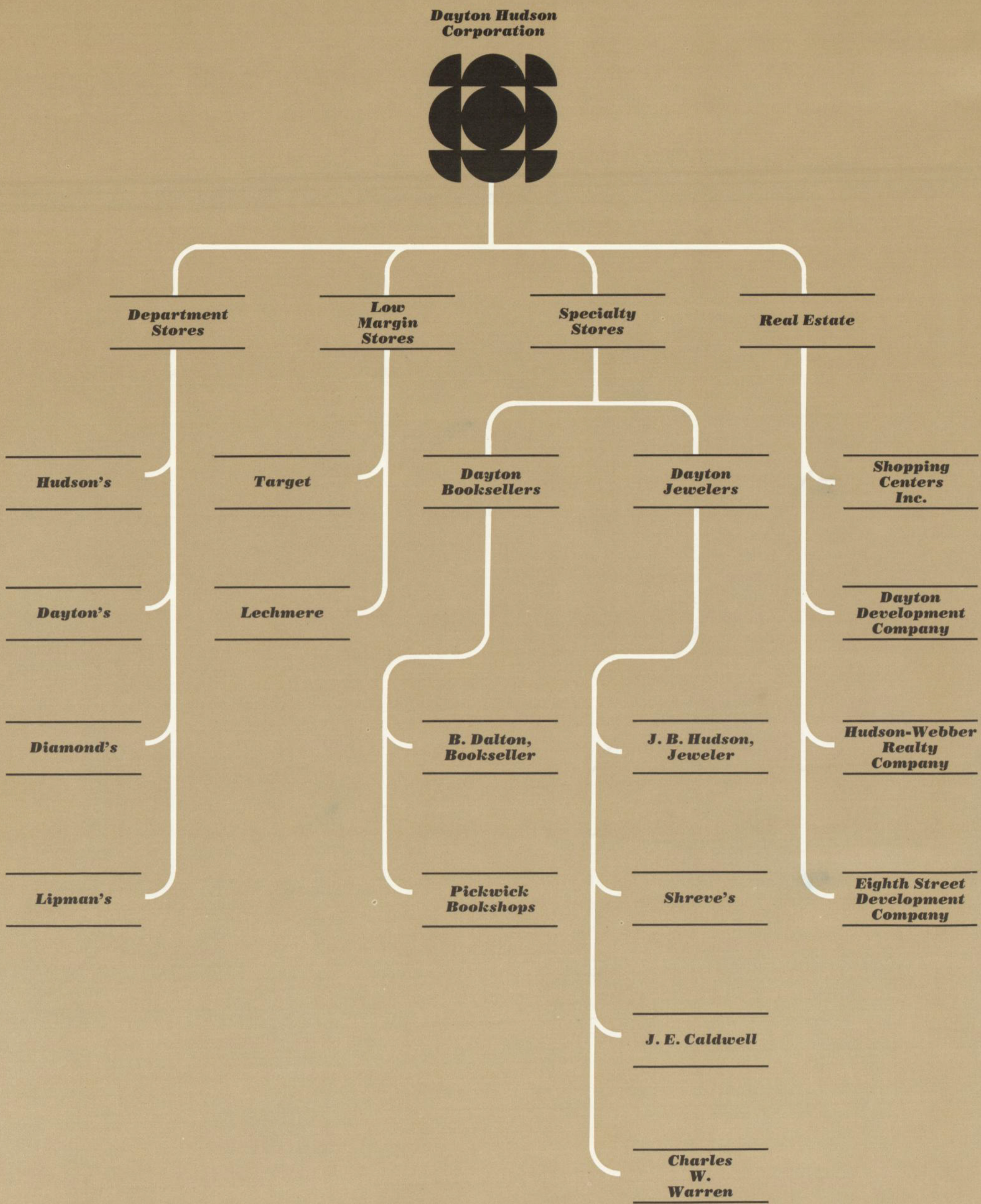
Bruce B. Dayton
Bruce B. Dayton
Chairman of the Board

K. N. Dayton
K. N. Dayton
President

Joseph L. Hudson Jr.
Joseph L. Hudson, Jr.
Vice Chairman of the Board

April 17, 1970

Dayton Hudson...A family of companies to serve a family's needs.


Dayton Hudson Corporation
Department Stores
Low Margin Stores
Specialty Stores
Real Estate
Hudson's
Dayton's
Diamond's
Lipman's
Target
Lechmere
Dayton Booksellers
B. Dalton, Bookseller
Pickwick Bookshops
Dayton Jewelers
J. B. Hudson, Jeweler
Shreve's
J. E. Caldwell
Charles W. Warren
Shopping Centers Inc.
Dayton Development Company
Hudson-Webber Realty Company
Eighth Street Development Company

Our business is serving the constantly growing and changing needs of consumers for goods and services. We focus on markets that offer the greatest growth and profit opportunity and where our management talent can be applied most effectively.

—Dayton Hudson Corporate Philosophy

The operating review on the following pages will show how we sought to turn that philosophy into fact in 1969. The review, you will notice, is dominated by reports of store openings and construction plans—testimony in square feet that the Corporation is in a period of rapid expansion.

The merger with The J. L. Hudson Company increased the Corporation's retail space by 4.5 million square feet. Stores opened during 1969 added more than 1.2 million square feet, and our plans for 1970 call for the addition of 1.8 million square feet. Included are two department stores, eight low margin stores and ten specialty stores. Real estate developments, including two regional shopping centers, will increase commercial space leased to others by 701,000 square feet in 1970. Our expansion program involves a wide geographic area, and new facilities for each of our four operating groups.

Today's consumer faces a range of needs that are too diverse and variable to be met completely by any one kind of store. Moreover, she is typically more sophisticated, better educated, more mobile, more fashion conscious and more individualistic than ever before. As a result, she takes advantage of many kinds of shops and stores.

We have developed a family of operating companies

to serve a family's needs, stressing a broad concept of retailing and a diversity of approaches to the consumer. We believe that the more ways we appeal to customers, the more opportunities we have to reach them.

Samplings of these various approaches introduce each of the following reports on the four operating groups—department stores, low margin stores, specialty stores and real estate.

These samplings focus on the differences between the four groups, and the differences are significant. But we should also point out that all of the groups operate under a single merchandising philosophy that calls for "dominance, quality and fashion in all phases of merchandising."

We seek dominance—by which we mean the best possible selection of merchandise — in every single classification and every price line carried.

We seek quality in every one of our operations, in all price lines, services and facilities.

We seek fashion leadership. Fashion is change, change is predictable, and it is at the heart of our business.

These principles are the unifying elements in all of our dynamic strategies. ■

Department Stores Group

We tend to refer to the consumer as "she" because we're usually talking about the housewife. She's our best department-store customer, looking to us for:

Fashion. Surveys confirm it: These stores have a dominant image of fashion leadership.

Selection. The range of merchandise is extremely broad —more than 400,000 different items in a single store.

Service. That includes credit, and more than 1.3 million customers hold active charge accounts with Dayton Hudson department stores.

Fashion. It begins with the sensitive touch of the merchandise buyer. A force of 375 buyers is at work around the world in search of newness.

Selection. Management is trend-trained to know the goods and services customers will want.

Service. Sales people are trained and motivated to focus service at the point of sale.

Department Stores Group

Largest part of Corporation . . . Hudson's of Detroit joined Corporation through merger in June, plans two new stores in 1970 . . . Dayton's and Diamond's each opened one new store . . . Diamond's entered Las Vegas market.

Profit growth received primary emphasis at Hudson's, newest and largest of the Corporation's operating companies. Despite the sales slowdown in the Detroit metropolitan area, Hudson's produced a slight increase in pre-tax income.

Among the factors contributing to the improvement in Hudson's results: Greater emphasis on fashion merchandise with its higher profit margins, and tight expense control.

In fashion, Hudson's goal is a growth rate that is twice that of other merchandise areas, without sacrificing dominance in the traditionally strong home division and Budget Store.

Merchandise, advertising and store planning reflect the stronger fashion personality. There is more emphasis on boutiques and displays which make merchandise more accessible and are aimed at creating a feeling of fashion excitement.

New stores were opened during the year by Dayton's and Diamond's.

Dayton's new store, its sixth in Minnesota, opened in August at Rosedale Shopping Center north of St. Paul, Minnesota, and serves a fast-growing segment of the Twin Cities area. The store has 189,000 square feet on three levels.

Dayton's also opened a 604,000-square-foot distribution center in Minneapolis, putting all warehousing under one roof. Shopping was made easier with the addition of 765 parking spaces in LaSalle Court,

across the street from Dayton's downtown Minneapolis store, increasing parking space adjacent to the store to a capacity of 1,640 cars.

Ground was broken during the year for the IDS Center, a 57-story office complex being built by Investors Diversified Services. Located across the street from Dayton's in downtown Minneapolis, it will be linked to the store by an enclosed bridge. When it is completed, more than 50,000 persons will have access to Dayton's through the unique Minneapolis skyway system.

Diamond's opened its third Phoenix-area store in August at Tri-City Mall, which serves the cities of Mesa, Tempe and Chandler in the southeast part of the Phoenix metropolitan area. The store has 138,000 square feet.

Dynamic Las Vegas, one of the nation's fastest-growing metropolitan areas, is the site of Diamond's first expansion outside Phoenix. In February, 1970, the Corporation completed the purchase of the assets of Ronzone's, a Las Vegas store specializing in fashion apparel. The store, located in the city's largest shopping center, has become a part of Diamond's.

In 1970, openings are scheduled for two new department stores, both of them Hudson's branches.

Hudson's first store outside the Detroit metropolitan area is planned for a July opening in Flint, Michigan, some 60 miles north of Detroit. The store occupies 269,000 square feet of space in the Corporation's Genesee Valley Center.

The 292,000-square-foot store in Southland Center, scheduled for opening in August, will complete Hudson's "inner ring" — six full-line branch stores surrounding the Detroit metropolitan area, with the downtown store at the hub.

Work has started on a Hudson's store in Toledo, Ohio—the first outside Michigan. Scheduled to open in 1971, it will occupy 185,000 square feet in Franklin Park Mall. ■

Low Margin Stores Group

Children have a lot to do with the popularity of our low margin stores. These stores are centers of family-oriented shopping because of:

Convenience. Locations are easy to reach; parking is ample; shopping is quick. The stores have—as surveys show—an informality that invites family shopping.

Value. The stores are known for name-brand goods at low prices.

The store manager—
usually a family man himself—
holds the key to the drawing power
of our low margin stores:

Convenience. The managers are
experienced merchandisers
who can run their stores
in a way that makes shopping comfortable.

Value. Efficiency through
modern administrative techniques
and training makes it possible
to sell goods at low margins.

Low Margin Stores Group

Fastest-growing part of Corporation... Six stores opened in 1969 . . . Eight stores planned for 1970... Lechmere expands.

Target, which operates discount stores concentrating on convenience-type merchandise, entered three new markets in 1969. It opened two stores in Dallas, two in Houston and one in Colorado Springs. One store was added in St. Louis, Target's third there.

Three of the stores built in 1969 include auto diagnostic centers, a new service for Target.

Target has opened two stores so far in 1970 and plans five more before the end of the year to raise its total to 24. One of the new stores is in Tulsa and two will be in Milwaukee—both new markets. A third Houston store was opened in February, and a fourth will open later in the year. Dallas and St. Louis will add one store each.

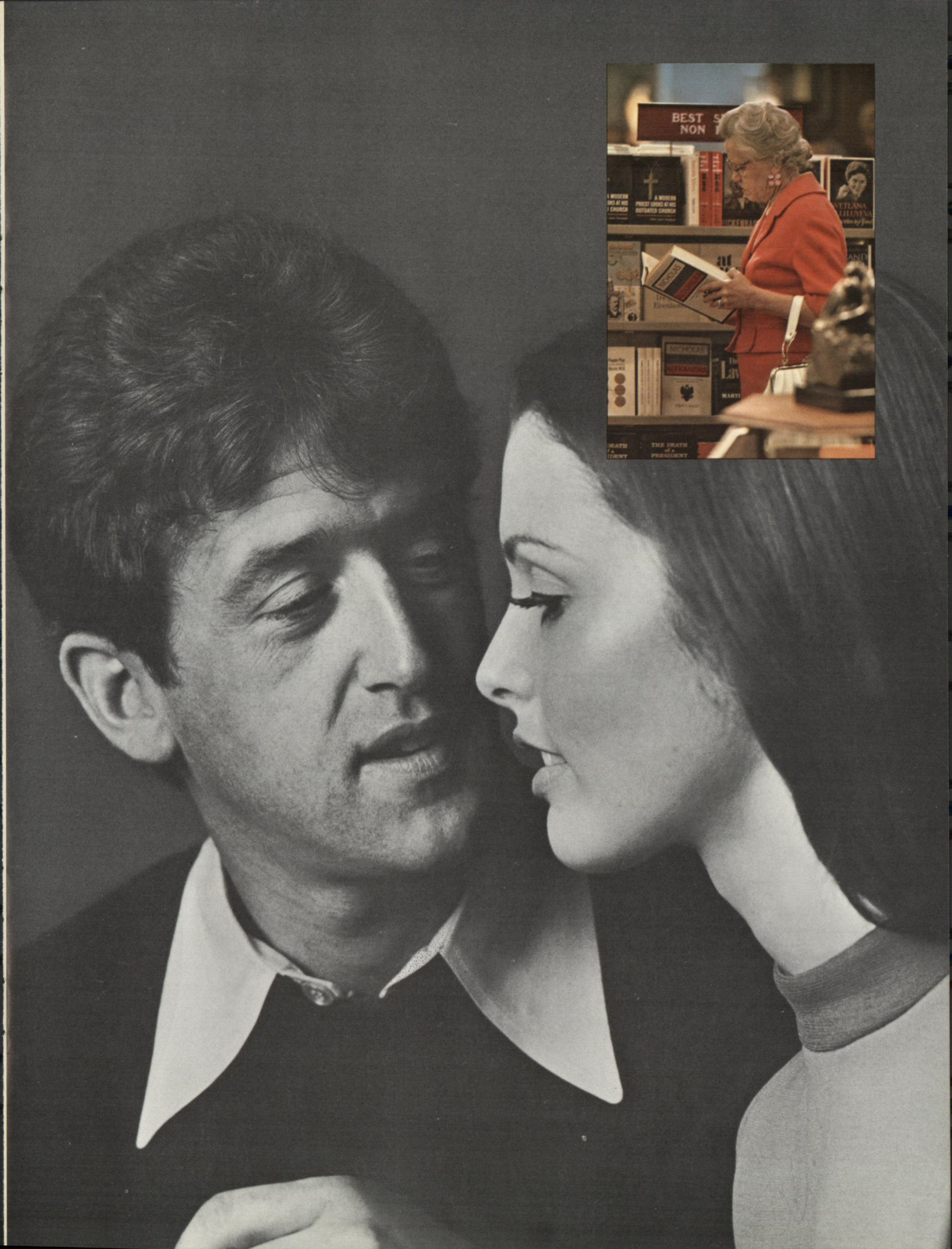
Lechmere, a Boston-based operation specializing in hard goods, began implementing its expansion plans in 1969.

Work was started on Lechmere's third store, a prime tenant in a new shopping center at Danvers, Massachusetts, a North Shore suburb of Boston. The store has 209,000 square feet and is to open in November.

In 1970, Lechmere will begin work on a new distribution center that will consolidate its warehousing in one location. Work will also start on Lechmere's first store outside the Boston area; it is scheduled to open in 1971.■

Specialty Stores Group

The popularity of specialty stores
is keyed to the growing "marriage market"
and the increasing education,
affluence and leisure of the consumer.
These stores have an in-depth answer
for any specialized need
in books and jewelry.


BEST
NON
A MODERN PRIEST LOOKS AT HIS OUTDATED CHURCH
NICHOLAS
ALEXANDRA
THE DEATH of a PRESIDENT

Specialty stores
are operated by specialists,
including experienced
sales people
who are dedicated to
providing a depth
and quality of service
comparable to that
of the merchandise they sell.

Specialty Stores Group

Thirteen new specialty stores were opened — four jewelry stores, nine book stores... Added to group: Charles W. Warren, Detroit fine jeweler . . . Ten new stores planned in 1970.

Dayton Jewelers opened four new stores in 1969, plans three more in 1970.

Shreve's, which had operated from one store in San Francisco for 116 years before opening its first branch in 1968, opened a second branch in San Mateo, California, in October, 1969.

J. B. Hudson, Jeweler, opened its fifth Twin Cities area store at Rosedale Shopping Center. And Charles W. Warren opened its first two branches in the Detroit area.

All of the 1970 openings will be outside traditional trade areas. J. B. Hudson will open in Omaha, Nebraska, Shreve's in Sacramento and J. E. Caldwell in Harrisburg, Pennsylvania.

Dayton Booksellers added nine more stores—eight B. Dalton and one Pickwick.

B. Dalton grew to 27 stores and entered three new markets—Las Vegas, Indianapolis and San Diego. Distribution was streamlined, and a new store prototype introduced during the year has been rearranged to allow inventories and sales volume comparable with older stores, but occupying less floor space.

Pickwick opened its ninth store in 1969 in Carlsbad, California.

Seven new book stores will be opened in 1970 at

locations in Southern California, Houston, Milwaukee and Louisville.

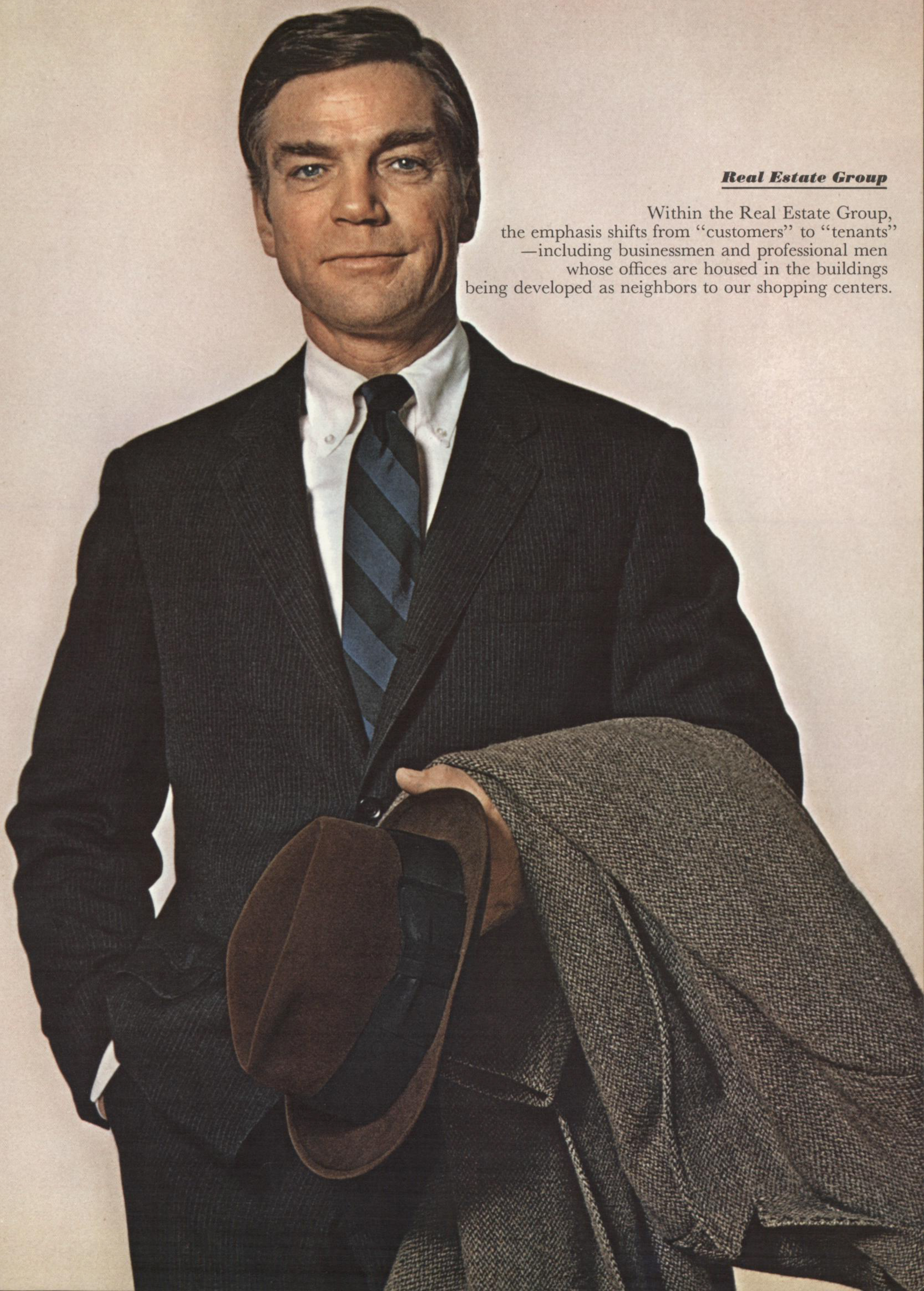
Acquisition. On March 5, 1970, the Corporation announced an agreement to acquire Team Central Incorporated, of Minneapolis, for 112,500 shares of common stock. A distributor of sound components, the company serves 53 franchised independent Team Electronics Centers in 14 states from Illinois to Alaska and plans six new franchises to retailers in 1970.

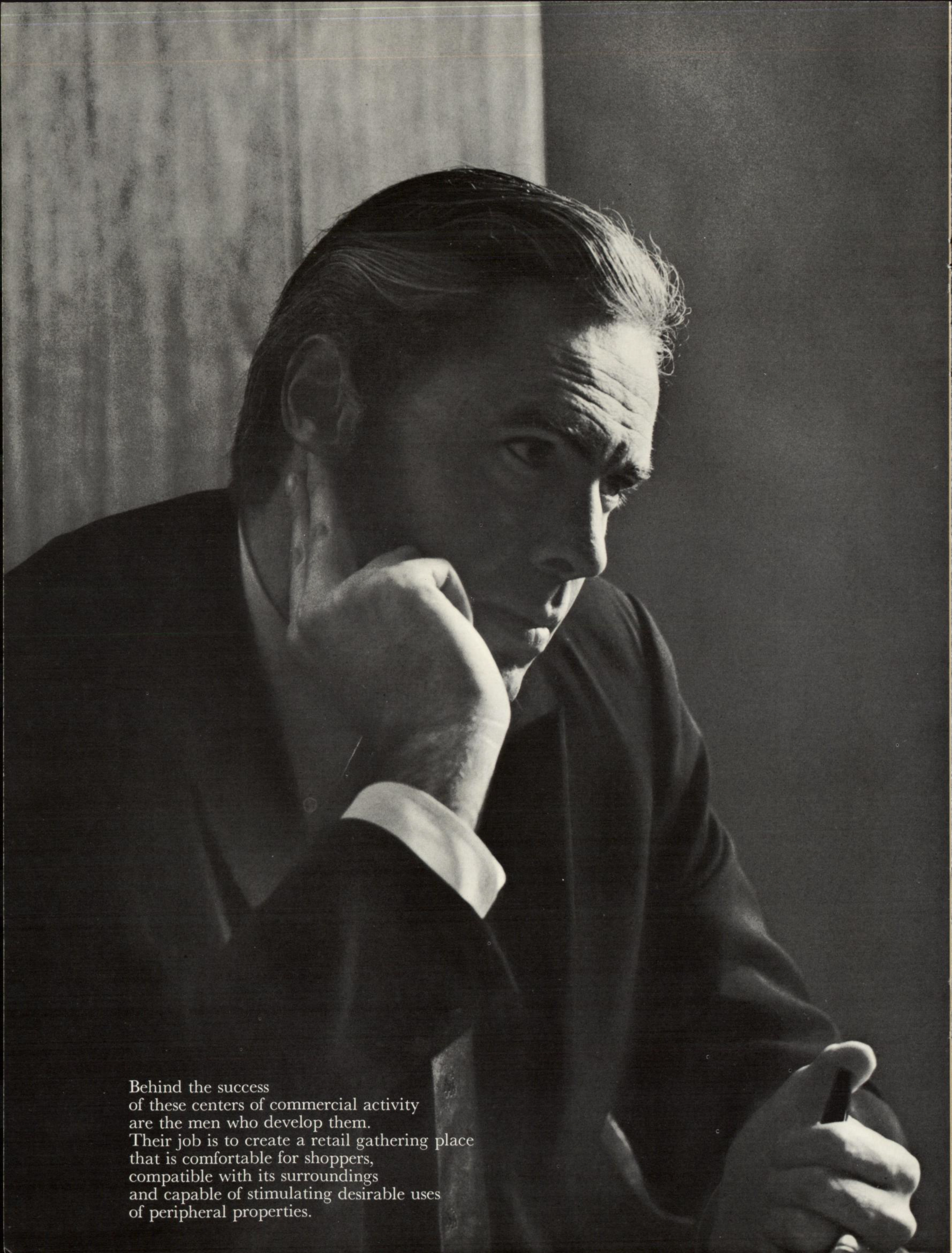
Team Central's revenues for the year ended December 31, 1969, totaled $12 million. These results are not included in the financial information in this Annual Report.

Team will become a part of the Specialty Stores Group. The acquisition, subject to a favorable tax ruling, will mark Dayton Hudson's entry into the franchising field. ■

Real Estate Group

Within the Real Estate Group, the emphasis shifts from "customers" to "tenants" —including businessmen and professional men whose offices are housed in the buildings being developed as neighbors to our shopping centers.





Behind the success
of these centers of commercial activity
are the men who develop them.
Their job is to create a retail gathering place
that is comfortable for shoppers,
compatible with its surroundings
and capable of stimulating desirable uses
of peripheral properties.

Real Estate Group

Opened 650,000 additional square feet of leasable space . . . Major projects: Rosedale Shopping Center, LaSalle Court . . . Space leased to others grew to 3.4 million square feet . . . Under construction: Two more shopping centers, apartments, office space.

Real estate operations are an important profit center for the Corporation. They generate income from shopping centers and the development of peripheral properties.

The merger with Hudson's increased commercial space leased to others by 1.5 million square feet. By year end, the Corporation's real estate space leased to others amounted to 3.4 million square feet, together with 2,151 acres of raw and vacant land held for development.

Rosedale Shopping Center opened in August. It is a two-level 560,000-square-foot center serving St. Paul's fast-growing north suburban area.

Along with two major department stores—Dayton's and Donaldson's—the center has 80 other shops and stores which offer a variety of fashion apparel, everyday needs and services. Landscaped parking for 3,500 cars is contoured so that customers can enter at either the first or second level. The enclosed mall is air-conditioned and features a garden court in the center.

LaSalle Court is a unique downtown development, with 30 shops on its first two levels, capped by six levels of parking with space for 765 cars. Opened in October, LaSalle Court has 59,000 square feet of retail space and is linked with Dayton's by a second-level walkway.

Other projects completed:

—An additional building housing 13 new retail tenants at Northland Center, Detroit, which increased Northland's space to 1,302,000 square feet.

—An 1,100-seat theater at Detroit's Eastland Center.

—64 apartment units near Eastland.

Two new shopping centers will open in 1970: Southland, suburban Detroit, and Genesee Valley, Flint, Michigan. Genesee Valley—the first Michigan center built by the Corporation outside the Detroit area—will open in July. It will have 803,000 square feet, including a Hudson's and a Sears department store. Southland will open in August with 542,000 square feet, including a Hudson's.

Peripheral development in the areas adjacent to the Corporation's shopping centers is continuing. Work is underway on the third building in Southdale Office Centre in Minneapolis—seven stories, 155,000 square feet. It is the largest building in the complex, which will have a total of 240,000 square feet when the new building is finished. Two 14-story high-rise apartment buildings are being built on a joint-venture basis near Northland.

The Corporation bought land in suburban St. Paul and Phoenix for centers planned for the 1970s. Plans were announced for a one-third expansion of Southdale Shopping Center in Minneapolis, to be finished in 1971. It will include a J. C. Penney department store and space for about 35 smaller stores.■

Corporate Citizenship

The future of Dayton Hudson Corporation is interwoven with the futures of the communities in which it conducts its business. Increasingly, society is turning to business to help solve its problems. The Corporation, responsive to this need, has pledged through its philosophy to:

—Stimulate the participation of its employees in organizations that work for community improvement.

—Utilize 5 percent of pre-tax earnings to improve the environments of which it is a part.

Contributions by the Dayton Hudson Foundation and the Corporation totaled $2,361,000 in 1969.

Inner-city problems were a primary concern, with grants to such social-action organizations as the Urban Coalitions of Detroit and Minneapolis, and United Fund groups in operating cities throughout the United States.

Other grants assisted such special projects as Head Start, the expansion of Detroit's Harper Hospital, minority job training, and programs seeking a solution to the problem of low-income housing.

Education and the arts continued to receive substantial amounts. Contributions went to: The Minneapolis Institute of Arts to present a 19th Century French art exhibit of national significance, Tyrone Guthrie Theatre, symphony orchestras in Minneapolis and Detroit, the Portland Art Association, and similar efforts in other operating cities.

The Environmental Development Department, which initiates programs and proposals to maintain and improve the quality of life in the regions in which the Corporation operates, worked on several major community projects during the year, including assistance on urban planning studies. ■

Hudson's
Oakland Mall store
in Troy, Michigan,
completed its
first full year
of operations.

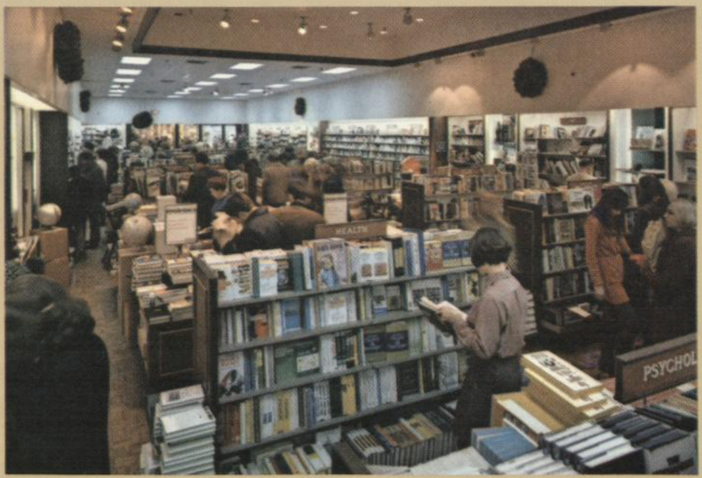
One of two
Target stores
that opened
in Houston
during 1969.

Shreve's
second branch
opened in
San Mateo, California,
in October.

Diamond's third store
opened in August
at the Tri-City Mall
in Mesa, Arizona.

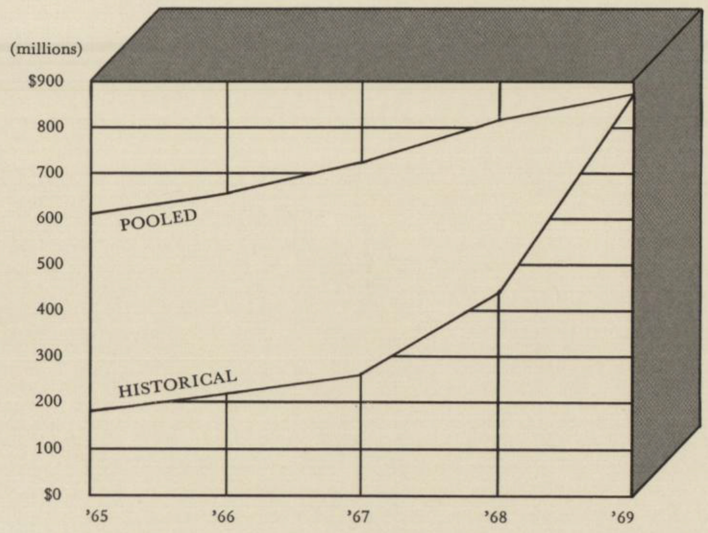
LaSalle Court, a
unique combination
of parking and
shopping facilities,
opened in
downtown Minneapolis
across the street
from Dayton's.

Rosedale
Shopping Center
began serving
the suburban area
north of St. Paul
in August.



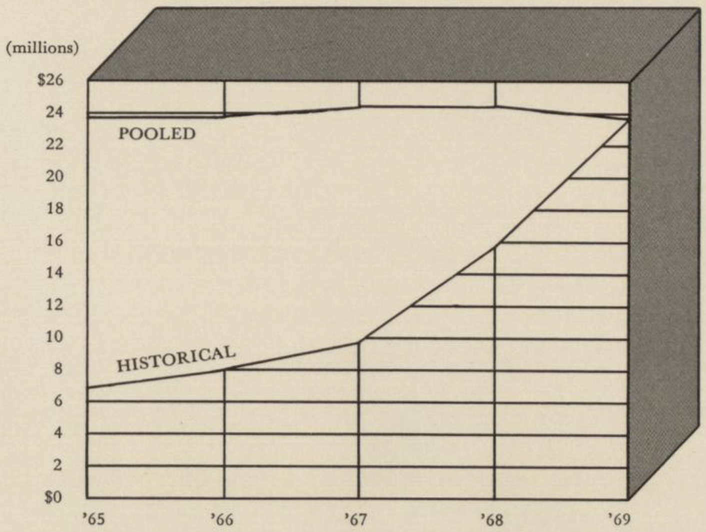
Dayton Booksellers
added nine stores,
including this
B. Dalton store
in the Oakland Mall.

Financial Review

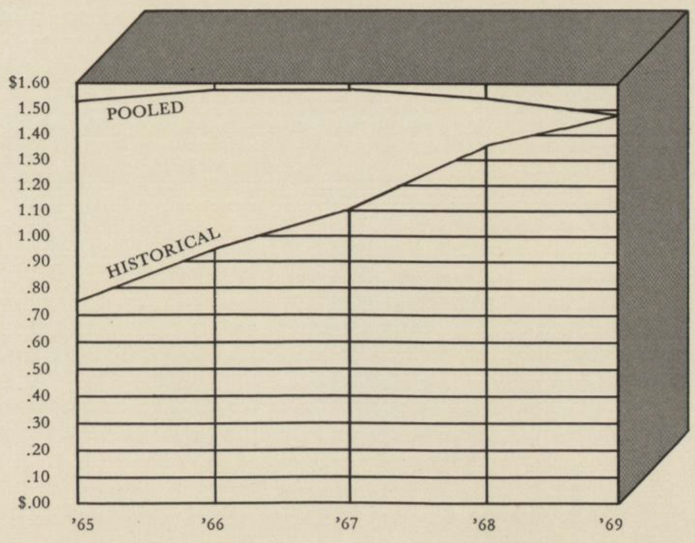


Total Revenues for the years 1969 and 1968, after giving effect to the poolings of interests, were as follows:

(000's)	1969	1968	Percent Increase
Net Retail Sales	**$868,335**	$795,243	9.2
Rental Income	**15,250**	13,338	14.3
Gains from Real Estate Sales	**4,772**	3,400	40.4
Total Revenues	**$888,357**	$811,981	9.4



Net Income was $23,673,000, a decrease of 3.6 percent for the year. Net income was adversely affected not only by the costs of the expansion program, but also by increased bad debt expense, rising inventory shortages, increased interest rates, and the use of the LIFO method of inventory valuation.

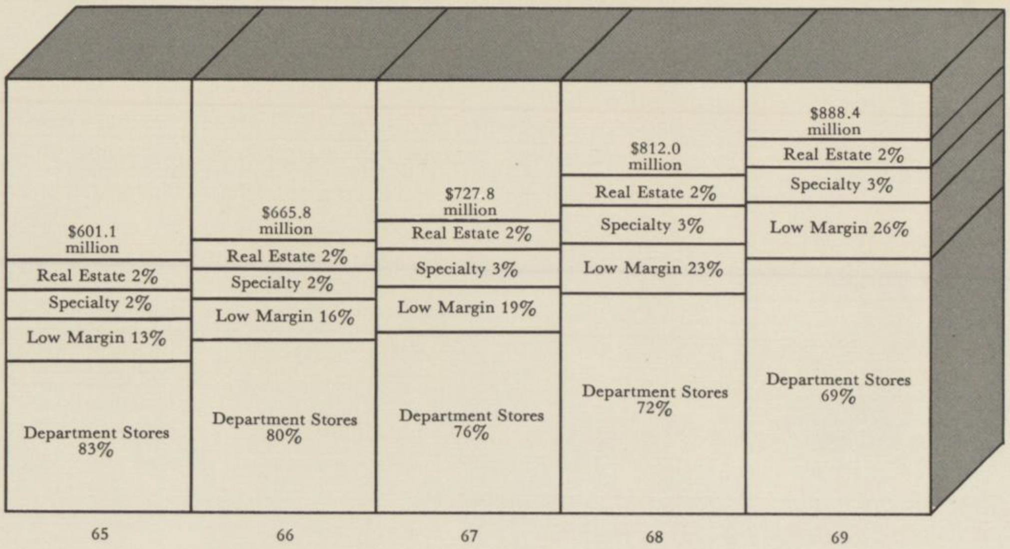


Earnings Per Share for the year were $1.49. On a pooled basis, this is a decrease from 1968's $1.54; on a historical basis, this represents an increase from last year's reported $1.36 earnings per share. LIFO resulted in a reduction of earnings per share by 6 cents, as compared with a reduction of 4 cents in 1968.

Revenues

(000's)

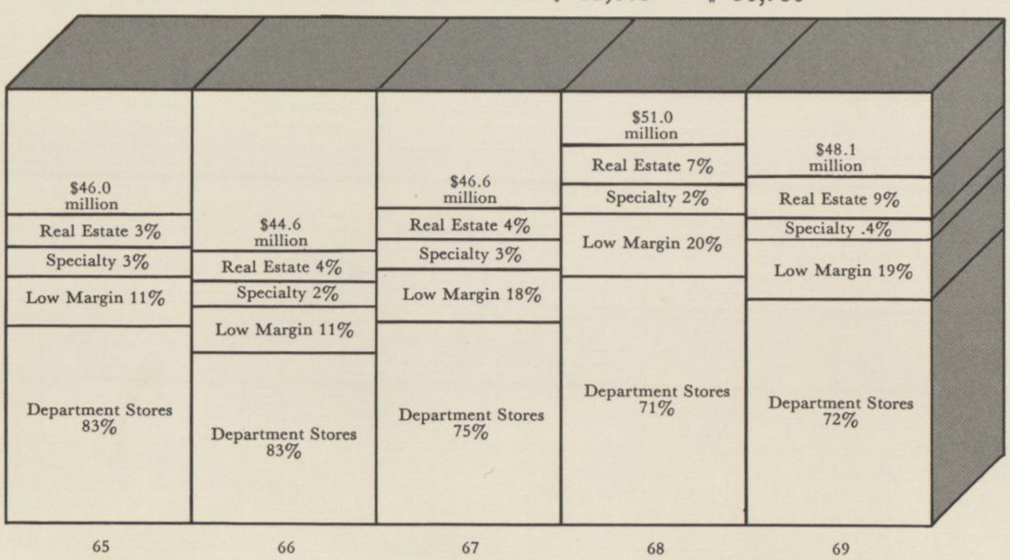
Group	**1969**	1968
Real Estate	**$ 20,021**	$ 16,738
Specialty	**27,107**	22,805
Low Margin	**233,532**	189,515
Department Stores	**607,697**	582,923
Total	**$888,357**	$811,981



Pre-Tax Income

(000's)

Group	**1969**	1968
Real Estate	**$ 4,335**	$ 3,772
Specialty	**185**	914
Low Margin	**9,091**	10,292
Department Stores	**34,462**	36,002
Total	**$ 48,073**	$ 50,980



Capital Expenditures

Capital expenditures totalled $92.8 million in 1969, an increase of 75 percent over 1968 expenditures of $52.9 million. In connection with the capital program, the Corporation incurred pre-opening and construction expenses of $5.5 million as compared with $3.1 million in 1968. Of the projects completed during the year, $27 million was financed by mortgages, with the balance of permanent financing coming from the $25 million debenture issue, and internally-generated cash flow.

These expenditures are divided between the retail and real estate groups as follows:

	Retail		Real Estate	
(millions of dollars)	**1969**	1968	**1969**	1968
Capital Expenditures	**46.8**	36.5	**46.0**	16.4
Pre-Opening and Construction	**3.3**	2.5	**2.2**	.6

Shareholders. At the year-end, there were 9,473 shareholders, as compared with 6,853 shareholders at the end of 1968, an increase of 38 percent.

Statement of Income

	FISCAL YEAR	
	1969 Year Ended January 31, 1970	1968 Year Ended February 1, 1969—Note A
REVENUES		
Net retail sales, including sales of leased departments	**$868,334,820**	$795,243,318
Rental income	**15,250,668**	13,337,633
Realized gain from real estate sales	**4,771,756**	3,400,260
	$888,357,244	$811,981,211
COSTS AND EXPENSES—Note I		
Cost of sales and expenses, exclusive of items listed below	**$773,828,537**	$704,631,523
Maintenance and repairs	**4,128,274**	3,832,321
Depreciation and amortization of property and equipment—Note D	**16,175,633**	14,022,450
Rentals of real property	**7,458,446**	7,004,872
Interest	**12,150,446**	6,381,256
Taxes other than income taxes	**22,278,246**	20,055,656
Contribution to retirement plan—Note F	**4,264,963**	5,072,839
	$840,284,545	$761,000,917
INCOME BEFORE INCOME TAXES	**$ 48,072,699**	$ 50,980,294
Income taxes—Note A	**24,400,000**	26,422,000
NET INCOME	**$ 23,672,699**	$ 24,558,294
EARNINGS PER COMMON SHARE	**$ 1.49**	$ 1.54

Earnings per Common Share are based on net income less dividends on Preferred Stock and computed on weighted average number of shares outstanding during each year after giving retroactive effect to the stock split and to the shares issued in the poolings described in Note A.

See notes to financial statements.

Statement of Financial Position

	END OF FISCAL YEAR	
	1969 January 31, 1970	1968 February 1, 1969—Note A
ASSETS		
CURRENT ASSETS		
Cash	**$ 22,986,356**	$ 19,104,065
Short-term government obligations—at cost	**—**	17,416,426
Accounts receivable—Note B	**132,744,480**	116,483,352
Merchandise inventories—Note C	**137,193,781**	124,696,333
Supplies and prepaid expenses	**2,331,863**	3,009,005
TOTAL CURRENT ASSETS	**$295,256,480**	$280,709,181
INVESTMENTS AND OTHER ASSETS	**13,018,152**	8,737,216
PROPERTY AND EQUIPMENT—on the basis of cost—Notes D, E and H		
Land and improvements	**$ 72,073,415**	$ 51,181,607
Buildings and improvements	**250,285,389**	210,585,781
Fixtures and equipment	**70,712,493**	60,186,973
Construction in progress	**35,987,491**	23,240,889
Less allowances for depreciation and amortization	**(116,549,581)**	(106,479,239)
	$312,509,207	$238,716,011
	$620,783,839	$528,162,408

	END OF FISCAL YEAR	
	1969 **January 31, 1970**	1968 February 1, 1969—Note A
LIABILITIES		
CURRENT LIABILITIES		
Notes payable to banks—unsecured:		
Finance subsidiary	**$ 16,450,000**	$ 15,800,000
Other	**—**	9,300,000
Accounts payable	**54,183,027**	57,229,075
Taxes other than income taxes	**21,905,601**	19,070,218
Accrued liabilities	**16,960,509**	13,639,125
Income taxes, currently payable	**11,470,300**	10,313,878
Deferred taxes on income reported on the installment basis—Note A	**14,682,000**	13,230,000
Long-term debt due within one year	**10,790,971**	7,105,117
TOTAL CURRENT LIABILITIES	**$146,442,408**	$145,687,413
LONG-TERM DEBT—Notes E and H	**193,745,135**	118,832,015
DEFERRED CREDITS—Note A	**10,892,819**	7,834,961
SHAREHOLDERS' INVESTMENT—Notes A, E and G		
Preferred Stock	**$ 351,750**	$ 351,750
Common Stock	**15,805,474**	15,826,553
Additional paid-in capital	**34,731,404**	35,352,525
Retained earnings	**218,814,849**	204,277,191
	$269,703,477	$255,808,019
	$620,783,839	$528,162,408

See notes to financial statements.

Statement of Shareholders' Investment

	FISCAL YEAR 1969 Year Ended January 31, 1970	FISCAL YEAR 1968 Year Ended February 1, 1969—Note A
PREFERRED STOCK		
$5 Convertible Preferred Stock—35,175 shares (liquidation value $3,517,500)		
BALANCE AT BEGINNING AND END OF YEAR	**$ 351,750**	$ 351,750

Voting, without par value, 200,000 shares authorized, issuable in series; Convertible into Common Stock at 2⅔ shares for each share of Preferred Stock.

	1969	1968
COMMON STOCK, par value $1 a share, less treasury stock (shares and dollars)—Notes A and G		
Balance at beginning of year	**$ 15,826,553**	$ 10,176,250
Common Stock split (2-for-1) effected in the form of a stock dividend	**—**	5,656,432
	$ 15,826,553	$ 15,832,682
Deduct shares purchased for the treasury	**21,079**	6,129
BALANCE AT END OF YEAR	**$ 15,805,474**	$ 15,826,553

Authorized 20,000,000 shares. Fiscal 1969: issued 15,981,118 shares, less 175,644 shares in treasury; fiscal 1968: issued 15,981,255 shares, less 154,702 shares in treasury.

	1969	1968
ADDITIONAL PAID-IN CAPITAL—Note A		
Balance at beginning of year	**$ 35,352,525**	$ 35,143,356
Deduct (add):		
Transactions of pooled companies prior to mergers	**$ 245,115**	($ 310,918)
Expenses in connection with mergers	**376,006**	101,749
	$ 621,121	($ 209,169)
BALANCE AT END OF YEAR	**$ 34,731,404**	$ 35,352,525
RETAINED EARNINGS—Notes A and E		
Balance at beginning of year	**$204,277,191**	$192,267,839
Add net income for the year	**23,672,699**	24,558,294
	$227,949,890	$216,826,133
Deduct:		
Cash dividends on Preferred Stock	**$ 155,825**	$ —
Cash dividends on Common Stock ($.50 a share in fiscal 1969 and $.40 a share in fiscal 1968)	**6,779,968**	4,004,603
Cash dividends and adjustments ($43,721—1968) of pooled companies prior to mergers	**1,476,077**	2,744,464
Common Stock split (2-for-1) effected in the form of a stock dividend	**—**	5,656,432
Excess of cost over par value of Common Stock acquired for the treasury	**723,171**	143,443
	$ 9,135,041	$ 12,548,942
BALANCE AT END OF YEAR	**$218,814,849**	$204,277,191

Cash dividends per share of Common Stock have been adjusted to reflect retroactively the stock split described in Note A.

See notes to financial statements.

Statement of Source and Application of Funds

	FISCAL YEAR	
	1969 Year Ended January 31, 1970	1968 Year Ended February 1, 1969—Note A
SOURCE OF FUNDS		
Net income for the year	**$ 23,672,699**	$ 24,558,294
Depreciation and amortization of property and equipment	**16,175,633**	14,022,450
Disposals of property and equipment	**2,796,310**	2,128,354
Increase in long-term debt	**74,913,120**	20,602,942
Increase in non-current deferred income taxes	**2,836,000**	1,566,000
Other	**221,858**	654,376
	$120,615,620	$ 63,532,416
APPLICATION OF FUNDS		
Cash dividends	**$ 8,411,870**	$ 6,705,346
Additions to property and equipment	**92,765,139**	52,918,539
Purchase of Common Stock	**744,250**	149,572
Other	**4,902,057**	3,788,515
Increase (decrease) in working capital	**13,792,304**	(29,556)
	$120,615,620	$ 63,532,416

See notes to financial statements.

Notes to Financial Statements

January 31, 1970

Note A—Principles of Consolidation, Other Accounting Policies and New Companies

The financial statements include the accounts of Dayton Hudson Corporation and subsidiaries (all wholly-owned) after elimination of significant intercompany accounts and transactions.

The following table reflects certain operating data for Dayton Hudson Corporation and subsidiaries for the year ended February 1, 1969 (fiscal year 1968) on a historical basis and after giving effect to the pooling of interests described below.

	Total Revenues	Net Income
Historical basis	$441,335,590	$15,568,659
Pooled companies prior to year of merger	370,645,621	8,989,635
	$811,981,211	$24,558,294

Certain other data for Dayton Hudson Corporation and subsidiaries as of February 1, 1969 (end of fiscal year 1968) on a historical basis is as follows:

Working capital	$ 71,294,265
Total assets	260,408,769
Shareholders' investment	109,701,043

On March 14, 1969 the shareholders approved an increase in the authorized Common Stock of the Corporation from 6,000,000 to 20,000,000 shares. The Board of Directors declared a 2-for-1 split of the Common Stock, effected in the form of a stock dividend, payable to shareholders of record on March 24, 1969 on the basis of one share for each share held. Retroactive effect was given in the financial statements for the year ended February 1, 1969 to the above increase in authorized shares and the stock split.

In June 1969 The J. L. Hudson Company became a wholly-owned subsidiary of the Corporation in a transaction involving 4,499,964 shares of Common Stock. The transaction was accounted for as a pooling of interests.

The Federal Trade Commission is studying the Dayton Hudson merger. The Corporation does not know what action the Commission may take, or what effect any such action may have on the merger or other aspects of the Corporation's business.

The assets of Ronzone's, a retail business, were acquired in February 1970 for 6,095 shares of Common Stock and the Corporation has agreed to acquire, subject to a favorable tax ruling, Team Central Incorporated, a franchising-distributing company for 112,500 shares of Common Stock. Amounts for these companies are not included in the accompanying financial statements.

Deferred credits include deferred income taxes of $9,787,217 at January 31, 1970, and $6,951,217 at February 1, 1969.

Certain data as to deferred income taxes and the investment credit included in the tax provisions are:

	Year Ended	
Deferred income taxes arising from:	**January 31, 1970**	February 1, 1969
Use of accelerated depreciation for tax purposes	**$ 2,175,000**	$ 1,566,000
Installment method of reporting retail sales for tax purposes	**1,264,000**	1,812,000
Installment method of reporting real estate sales for tax purposes	**661,000**	—
Use of LIFO inventory method for tax purposes of a subsidiary—Note C	**188,000**	—
Investment Credit	**(887,000)**	(744,000)

Note B—Accounts Receivable

	January 31, 1970	February 1, 1969—Note A
Due from customers:		
Thirty-day accounts	**$ 17,867,519**	$ 16,213,015
Deferred payment accounts	**104,717,621**	95,859,104
Other accounts	**11,793,611**	5,947,092
	$134,378,751	$118,019,211
Less allowance for losses	**1,634,271**	1,535,859
	$132,744,480	$116,483,352

Note C—Merchandise Inventories

Merchandise inventories are determined principally by the retail inventory method. At January 31, 1970 approximately 45% of the inventories are priced at cost (last-in, first-out method) which is not in excess of market, and the remainder at the lower of cost (first-in, first-out method) or market. Inventories are stated $4,807,335 at January 31, 1970 and $2,992,778 at February 1, 1969 less than the amount which would have been determined under the retail method without regard to last-in, first-out principles.

For the year ended January 31, 1970, certain inventories of a subsidiary are priced on the last-in, first-out basis for income tax purposes, but continue to be priced in the consolidated financial statements at the lower of cost or market under the retail method.

Note D—Property and Equipment—on the basis of cost

	Dayton Hudson Corporation and Subsidiaries		Real Estate Subsidiaries	
	January 31, 1970	February 1, 1969—Note A	**January 31, 1970**	February 1, 1969—Note A
Land and improvements	**$ 72,073,415**	$ 51,181,607	**$ 32,853,257**	$ 22,351,521
Buildings and improvements	**250,285,389**	210,585,781	**140,511,040**	121,368,217
Fixtures and equipment	**70,712,493**	60,186,973	**1,082,494**	946,879
Construction in progress	**35,987,491**	23,240,889	**25,876,345**	13,177,136
	$429,058,788	$345,195,250	**$200,323,136**	$157,843,753
Less allowances for depreciation and amortization	**116,549,581**	106,479,239	**42,836,504**	40,103,640
	$312,509,207	$238,716,011	**$157,486,632**	$117,740,113

The amounts shown for the real estate subsidiaries are included in the totals shown for Dayton Hudson Corporation and subsidiaries. Allowances for depreciation above have been computed by the straight line method.

Note E—Long-Term Debt—due beyond one year

	Dayton Hudson Corporation and Subsidiaries (4)		Real Estate Subsidiaries (6)	
	January 31, 1970	February 1, 1969—Note A	**January 31, 1970**	February 1, 1969—Note A
7¾% Sinking Fund Debentures (1)	**$ 25,000,000**	$ —	**$ —**	$ —
Notes under Credit Agreement (2)	**17,000,000**	17,000,000	**—**	—
5⅜% sinking fund notes (2)	**10,400,000**	11,200,000	**—**	—
6% sinking fund notes (2)	**725,000**	825,000	**—**	—
3¾% unsecured note (2)	**4,500,000**	5,400,000	**—**	—
Other unsecured notes (2)	**3,329,554**	3,414,703	**198,054**	195,624
Mortgage notes (3)	**92,050,410**	77,559,623	**74,799,741**	66,714,345
Notes and contracts for purchase of real estate (3)	**6,879,931**	3,432,689	**6,879,931**	3,432,689
Interim bank financing (5)	**33,860,240**	—	**33,860,240**	—
	$193,745,135	$118,832,015	**$115,737,966**	$ 70,342,658

(1) The 7¾% Sinking Fund Debentures under the indenture dated as of July 15, 1969 due July 15, 1994 are redeemable by the Corporation through minimum annual sinking fund payments of $1,250,000 commencing on July 15, 1975 and continuing through 1993, inclusive, with final payment due July 15, 1994. The indenture contains restrictions and limitations applicable to the Corporation and certain subsidiaries. See Note (2) as to restrictions imposed by other debt agreements which are more restrictive as to dividends and other restricted payments.

(2) The notes under the Credit Agreement entered into on January 27, 1969 bear interest at the prime rate and are payable on December 31, 1971. The maximum amount available under the Agreement is $40,000,000 and the Corporation has the option at any time prior to maturity to convert the balance to a term loan at ½% above prime and payable in sixteen equal quarterly installments. The 5⅜% sinking fund notes are payable $800,000 annually to 1982. The 6% sinking fund note is payable $100,000 annually to 1972 and $125,000 annually thereafter. The notes contain requirements and limitations

Note E—Long-Term Debt—due beyond one year (Continued)

relating to the sale of receivables, working capital (the Credit Agreement requires current assets of the greater of $35,000,000 or 150% of current liabilities and the sinking fund notes require working capital of the greater of $35,000,000 or the sum of certain indebtedness, all as defined), dividends and other restricted payments. Under the most restrictive provisions of the notes, $36,300,000 of retained earnings were available for dividends and other restricted payments at January 31, 1970.

The 3¾% unsecured note is payable in annual installments of $900,000 and a final payment of $3,600,000 on May 1, 1972.

The other unsecured notes bear interest at rates from 4% to the prime rate plus ½% and mature at various dates to 1985.

(3) The mortgage notes and notes and contracts for purchase of real estate bear interest at rates from 4% to 8½% and are payable over periods ranging to 25 years from inception.

(4) Aggregate annual payments on long-term debt (exclusive of notes under Credit Agreement) of Dayton Hudson Corporation and subsidiaries through January 1975 (including interest where it is a part of the required monthly payment) are as follows for fiscal years: 1970—$17,148,336; 1971—$19,132,747; 1972—$18,588,424; 1973—$17,293,670; and 1974—$19,282,898. The net carrying amount of property and equipment pledged as collateral to the mortgage notes and contracts aggregates $132,082,000.

(5) Interim bank financing is for new construction to be financed by mortgage notes (see Note H).

(6) The amounts shown for the real estate subsidiaries are included in the totals shown for Dayton Hudson Corporation and subsidiaries.

Note F—Retirement Plan

The Corporation has two retirement plans. A non-contributory pension plan covers substantially all employees of the Corporation and most subsidiaries. A contributory plan covers substantially all employees of one subsidiary.

The Corporation's policy is to fund retirement costs accrued to date. The total of the Corporation's accruals at January 31, 1970 and the total of the pension fund assets exceeded the actuarially computed value of the vested benefits of the plan of the parent. The unfunded past service cost of the plan of the subsidiary was approximately $20,000,000 and the actuarially computed value of the vested benefits exceeded the pension fund assets by approximately $3,000,000 at January 31, 1970.

During the year ended January 31, 1970, the actuarial assumptions of the plan of the subsidiary were conformed to those of the plan of the parent. These changes had the net effect of decreasing the current year's required pension expense.

Note G—Stock Options

The Corporation has a Qualified Stock Option Plan under which options for up to 200,000 shares of Common Stock may be granted to employees by a Stock Option Committee appointed by the Board of Directors. The option price may not be less than 100% of the fair market value of the shares on the date of grant. The options are exercisable 25% per year cumulatively in each of the second through fifth years after grant. Options outstanding at year-end were as follows:

Year Granted	Shares	Option Price and Fair Market Value at Date of Grant	Aggregate
1968	37,900	$37.625	$1,425,988
1969	20,000	33.75	675,000
1969	7,800	39.00	304,200

Options for 9,475 shares at $37.625 a share had become exercisable at January 31, 1970.

A subsidiary company had a Key Executives Restricted Stock plan (no longer operative) which provided generally for the sale of its Capital Stock to key employees at par value. In the event of disposal of stock or termination of employment prior to retirement or death, the subsidiary had the option to repurchase stock at its issuance price. Upon the removal of restrictions on this stock, the subsidiary charged to operations the excess of the estimated fair value at the date of sale over the selling price and credited such amounts to additional paid-in capital.

In conjunction with the merger, the restricted shares outstanding under the Plan were converted to Dayton Hudson Corporation Common Stock bearing the same restrictions, and the accounting for the Plan was transferred to Dayton Hudson Corporation.

219,651 shares of Dayton Hudson Corporation Common Stock are outstanding under the Plan.

Note H—Commitments

Long-term leases of Dayton Hudson Corporation and subsidiaries at January 31, 1970 are as follows:

	Minimum Annual Rentals	Weighted Average Maturity in Years
Department stores	$ 6,636,000	22
Low margin stores, net of rentals from supermarket operations ($777,000)	858,000	31
Specialty stores	1,314,000	11
Warehouses, parking ramps and other real estate	1,067,000	21
	$ 9,875,000	

(1) Most of the leases require additional payments for real estate taxes, insurance, other expenses and rentals based upon percentages of sales. Included in above amounts is $5,559,000 payable to real estate subsidiaries.

(2) Commitments for construction of new facilities and the purchase of real estate amounted to approximately $32,000,000 at January 31, 1970. Mortgage commitments totalling $47,700,000 have been obtained to provide permanent financing of certain projects to be completed during 1970. These funds will be used to repay certain bank loans of a like amount.

The Corporation has entered into a 15-year lease for office space commencing in 1972. Rentals thereunder are $1,500,000 for 3 years and $1,800,000 thereafter.

Note I—Total Costs and Expenses

Total costs and expenses as shown in the statement of income are classified as follows in reports to the Securities and Exchange Commission:

	Year Ended	
	January 31, 1970	February 1, 1969—Note A
Cost of sales, buying and occupancy costs	**$631,592,537**	$578,438,070
Selling, general and administrative expenses	**169,843,733**	153,789,069
Provision for bad debts	**3,063,750**	1,365,200
Depreciation and amortization of properties	**16,175,633**	14,022,450
Rentals of real property	**7,458,446**	7,004,872
Interest expense	**12,150,446**	6,381,256
	$840,284,545	$761,000,917

Accountants' Report

Board of Directors
Dayton Hudson Corporation
Minneapolis, Minnesota

We have examined the statement of financial position of Dayton Hudson Corporation and subsidiaries as of January 31, 1970 and the related statements of income, shareholders' investment and source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of financial position and statements of income, shareholders' investment and source and application of funds present fairly the financial position of Dayton Hudson Corporation and subsidiaries at January 31, 1970 and the results of their operations, changes in shareholders' investment and source and application of funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Minneapolis, Minnesota
March 20, 1970

Ernst & Ernst

Eight Year Comparisons

	1969	1968
TOTAL REVENUES (millions)		
With new companies accounted for as poolings of interest	**$888.4**	$812.0
Dayton Hudson Corporation and subsidiaries historical results	**888.4**	441.3
NET INCOME (millions)		
With new companies accounted for as poolings of interest	**23.7**	24.6
Dayton Hudson Corporation and subsidiaries historical results	**23.7**	15.6
PER SHARE OF COMMON STOCK		
Net income reflecting subsequent poolings of interests	**1.49**	1.54
Net income of Dayton Hudson Corporation and subsidiaries historical results	**1.49**	1.36
Cash dividends on a historical basis after giving retroactive effect to stock splits	**.50**	.40
Book value	**16.84**	15.94
CASH DIVIDENDS (millions)		
Preferred Stock historical basis	**.2**	—
Common Stock historical basis	**6.8**	4.0
CAPITAL EXPENDITURES AND DEPRECIATION (millions)		
Capital expenditures	**92.8**	52.9
Depreciation and amortization	**16.2**	14.0
YEAR END FINANCIAL POSITION (millions)		
Working capital	**148.8**	135.0
Property and equipment, net of depreciation:		
Retail companies	**155.0**	121.0
Real estate companies	**157.5**	117.7
Total	**312.5**	238.7
Long-term debt:		
Retail companies	**78.0**	48.5
Real estate companies	**115.7**	70.3
Total	**193.7**	118.8
Shareholders' equity	**269.7**	255.8
Return on beginning shareholders' equity	**9.3%**	10.3%
AVERAGE COMMON SHARES OUTSTANDING (thousands)	**15,814**	15,850

1967	1966	1965	1964	1963	1962
$727.8	$665.8	$601.1	$530.8	$475.9	$435.2
265.5	223.2	189.8	165.8	147.3	131.7
24.6	23.9	23.9	19.3	12.9	10.4
9.6	8.0	6.9	5.4	3.3	1.8
1.58	1.58	1.54	1.23	.79	.62
1.10	.94	.75	.57	.31	.12
.16	.07	.01	—	—	—
14.86	13.47	11.89	10.36	9.14	8.46
.2	.7	.8	.8	.8	.8
1.4	.5	.1	—	—	—
32.5	29.3	23.8	21.2	16.6	15.9
13.0	12.3	11.0	10.1	9.6	8.7
134.8	126.7	118.7	92.8	91.2	87.9
94.5	85.9	74.5	72.6	68.5	60.7
107.6	103.4	99.3	89.6	83.4	81.4
202.1	189.3	173.8	162.2	151.9	142.1
28.9	33.7	27.4	28.3	30.2	32.9
69.4	70.6	70.5	52.7	54.7	53.1
98.3	104.3	97.9	81.0	84.9	86.0
237.7	211.5	193.5	173.0	155.4	145.50
11.6%	12.4%	13.8%	12.4%	8.9%	8.1%
15,262	14,582	14,894	14,875	14,934	15,133

Eight Year Comparisons (Continued)

	1969	1968
DEPARTMENT STORES		
Number of stores	**23**	21
Total square feet (thousands)	**8,003**	7,675
Sales (millions)	**$ 607.7**	$ 583.0
Sales per square foot	**75.93**	75.96
Income before income taxes (millions)	**34.5**	36.0
Pre-tax return on sales	**5.7%**	6.2%
LOW MARGIN STORES		
Number of stores	**19**	13
Total square feet (thousands) (A)	**2,390**	1,577
Sales (millions)	**$ 233.5**	$ 189.5
Sales per square foot	**97.70**	120.16
Income before income taxes (millions)	**9.1**	10.3
Pre-tax return on sales	**3.9%**	5.4%
SPECIALTY STORES		
Number of stores	**52**	39
Total square feet (thousands)	**313**	250
Sales (millions)	**$ 27.1**	$ 22.8
Sales per square foot	**86.58**	91.24
Income before income taxes (millions)	**.2**	.9
Pre-tax return on sales	**.7%**	3.9%
TOTAL RETAIL		
Number of stores	**94**	73
Total square feet (thousands) (A)	**10,706**	9,502
Sales (millions)	**$ 868.3**	$ 795.3
Sales per square foot	**81.10**	83.70
Income before income taxes (millions)	**43.8**	47.2
Pre-tax return on sales	**5.0%**	5.9%
REAL ESTATE OPERATIONS		
Number of shopping centers	**6**	5
Gross leasable square feet (thousands) (B):		
Intercompany	**2,986**	1,997
Other	**3,362**	2,706
Rental income (millions):		
Intercompany	**$ 10.9**	$ 9.2
Other	**15.3**	13.3
Real estate sales (millions)	**6.6**	4.8
Income before income taxes (millions)	**4.3**	3.8
Cash flow (millions) (C)	**8.7**	6.9

(A) Total square feet excludes supermarket space leased to others (approximately 457,000 square feet at January 31, 1970).

(B) Gross leasable square feet includes shopping center space and office and commercial buildings.

(C) Net income plus depreciation and deferred income taxes.

1967	1966	1965	1964	1963	1962
20	20	19	18	18	16
7,255	7,010	6,816	6,462	6,458	6,047
$ 554.0	$ 529.4	$ 501.5	$ 457.0	$ 415.4	$ 391.6
76.36	75.52	73.58	70.72	64.32	64.76
35.1	36.9	38.3	32.1	21.9	20.6
6.3%	7.0%	7.6%	7.0%	5.3%	5.3%
11	9	7	5	5	5
1,330	1,083	799	528	528	448
$ 141.8	$ 108.7	$ 75.9	$ 53.4	$ 42.9	$ 27.2
106.62	100.37	94.99	101.14	81.25	60.71
8.5	5.0	4.8	2.5	1.2	.1
6.0%	4.6%	6.3%	4.7%	2.8%	.4%
27	15	11	10	8	7
186	125	106	102	78	71
$ 18.3	$ 15.2	$ 13.7	$ 11.6	$ 9.5	$ 8.8
98.10	120.35	128.48	113.20	121.79	123.94
1.2	1.0	1.4	.7	.6	.6
6.6%	6.6%	10.2%	6.0%	6.3%	6.8%
58	44	37	33	31	28
8,771	8,218	7,721	7,092	7,064	6,566
$ 714.1	$ 653.3	$ 591.1	$ 522.0	$ 467.8	$ 427.6
81.42	79.50	76.56	73.60	66.22	65.12
44.8	42.9	44.5	35.3	23.7	21.3
6.3%	6.6%	7.5%	6.8%	5.1%	5.0%
5	5	5	4	4	4
1,949	1,949	1,743	1,388	1,385	1,315
2,777	2,687	2,541	2,165	2,144	2,053
$ 8.6	$ 7.9	$ 7.1	$ 6.1	$ 4.3	$ 4.1
12.1	11.2	9.7	8.4	7.8	7.4
2.2	1.8	1.9	.8	.4	.2
1.8	1.7	1.5	1.8	1.6	1.3
5.8	5.3	4.5	4.3	4.1	3.9

Note—Unless otherwise stated, data have been restated to give retroactive effect to mergers accounted for on a pooling of interests basis. Fiscal years end on approximately January 31 of the year following.

Dayton Hudson Corporation

Directors
Horace Carpenter, Jr.
Maurice M. Cohen
Frank A. Colombo
Bruce B. Dayton
Donald C. Dayton
Douglas J. Dayton
K. N. Dayton
Wallace C. Dayton
Joseph L. Hudson, Jr.
Hadlai A. Hull
Stephen F. Keating, *President, Honeywell Inc.*
Robert J. Keith, *Chairman of the Board, The Pillsbury Company*
David M. Lilly, *President, Toro Manufacturing Corporation*
Philip H. Nason, *President, The First National Bank of St. Paul*
John W. Paynter
William E. Roberts

Officers
Bruce B. Dayton, *Chairman of the Board*
K. N. Dayton, *President*
Joseph L. Hudson, Jr., *Vice Chairman of the Board*
William A. Andres, *Senior Vice President*
Robert J. Crabb, *Senior Vice President*
Douglas J. Dayton, *Senior Vice President*
Carl R. Erickson, *Senior Vice President*
Hadlai A. Hull, *Senior Vice President*
William A. Hodder, *Vice President*
Albert B. Perlin, Jr., *Vice President and Secretary*
Wayne E. Thompson, *Vice President*
John C. Curran, Jr., *Treasurer*

Department Stores

HUDSON'S
Joseph L. Hudson, Jr., *President*

DAYTON'S
Carl R. Erickson, *President*

DIAMOND'S
Glenn E. Johnson, *President*

LIPMAN'S
William E. Roberts, *Chairman*
Edward F. Finn, *President*

Low Margin Stores

TARGET
William A. Hodder, *President*

LECHMERE
Maurice M. Cohen, *President*

Specialty Stores

DAYTON BOOKSELLERS

B. Dalton, Bookseller
Edward N. Dayton, *President*

Pickwick Bookshops
Louis Epstein, *Chairman*
Eliot Leonard, *President*

DAYTON JEWELERS
Samuel B. Druy, *President*

J. B. Hudson, Jeweler
Stanley S. Smith, *President*

Shreve's
Howard J. Hickingbotham, *Chairman*
Stuart A. Johnson, *President*

J. E. Caldwell
J. Morton Caldwell, *Chairman*
Joseph H. Green, *President*

Charles W. Warren
John F. Hering, *Chairman*

Real Estate

DAYTON DEVELOPMENT COMPANY
Robert G. Bertholf, *President*

SHOPPING CENTERS, INC.
Horace Carpenter, Jr., *President*